

ADIDAS – NOT PLAYING BY THE RULES

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Carole Crabbe of Oxfam Magasins du Monde (OMM – Belgium) reported on an initiative being undertaken in the context of the Clean Clothes Campaign (CCC) against Adidas. Based in Germany, Adidas is the mother company to many subcontractors in countries where low wages and poor working conditions are common. Under pressure from public opinion in 1998, it signed a very low-level voluntary code of conduct, which says nothing about implementation, monitoring, or sanctions.

Adidas is a sponsor of the Euro 2000 football tournament. In the runup to the tournament, CCC asked the Euro 2000 organizers to include in their contract with sponsors the so-called FIFA code of conduct, which – although FIFA apparently has not actually signed it – is a much better code than Adidas' own code and is based on ILO Conventions, with provisions for implementation and sanctions. This has been done, which means that all footballs and equipment made by Adidas and bearing the E2000 logo must comply with the FIFA code.

Meanwhile, several violations of workers' rights in Bulgaria, El Salvador, Thailand, and Indonesia have emerged, including denial of freedom of association, paying less than minimum wages, excessive working hours, making workers take pregnancy tests, and prohibition of collective bargaining. In March 2000, OMM tried to present the cases to the Euro 2000 as evidence of violation of workers' rights in the supply chain, but they accepted no further responsibility. OMM is continuing to draw attention to the violations, for instance by sending a television team to one of the countries involved, but would also like to move on the legal front against either Adidas or Euro 2000.

• Awareness-raising, education and public campaigning

Most if not all of the NGOs represented at the seminar accompany their advocacy and other work with public awareness-raising and campaigning. It is important to build a critical mass of informed public opinion calling corporations to account for their activities. AIBC, Banana Link, Bayerwatch, and WDM were among the NGOs present at the seminar who publish awareness-raising and campaigning materials, including regular newsletters (*Banana Trade News Bulletin*, *Keycode Bayer*, *Human Rights and Business Matters*) to equip members of the public to call companies to account. Weltumspannend Arbeiten of Austria is a specifically education-oriented project working with organized workers and development issues and the effects of globalization.

IV Discussion: Codes of conduct

Voluntary labels and codes of conduct are no substitute for legislation and binding international agreements. However, they can be helpful in promoting fundamental labour and human rights all over the world.

(India Committee of the Netherlands)

Seminar participants discussed the basis and fora in which these cases could be pursued at the home-state, regional and international levels. Possibilities raised included proceeding against the Bulgarian government for allowing violation of ILO conventions in its jurisdiction, or against Germany for allowing its citizens to violate those rules; bringing a claim against Adidas in Germany, its home state; or bringing a case against Adidas in Belgium on the grounds of false advertising (using the Euro 2000 logo on its equipment while breaking the FIFA code). However, a two-pronged process was recommended, in which, if NGOs could get strong enough evidence of the violations, lawyers could use it to identify the most appropriate legal instruments and begin to apply them.

Predictable problems were also raised. The agreement of the workers concerned would have to be obtained before taking the case forward, and they would be unlikely to favour any action that would further endanger them. Might Adidas reply that it cannot guarantee the quality of all its subcontractors and suppliers? Would evidence have to be found that Adidas is in fact using the FIFA code of conduct for publicity purposes? Strong arguments would have to be found for targeting Adidas specifically, so that other sports goods companies such as Reebok and Nike would not seem to be let off the hook. Is litigation advisable if it means that the company might pull out of a country where it is a key contributor to the local economy? And finally, what if Adidas starts a libel action against the NGOs?

A major discussion thread running through the seminar concerned the value and usefulness of codes of conduct. Codes of conduct are currently mushrooming, being created by governments, companies, and NGOs; and there was a clear division of opinion between those who considered them at best ineffectual and at worst dangerous, and those who found value in promoting meaningful codes and lobbying for them to be treated by companies as a mechanism of public accountability to society at large, even though they are not legally binding. This division of opinion coincided to some extent with the two constituencies present, lawyers and NGOs/activists. Lawyers' principal interest is in getting legal redress for victims of abuses, while that of NGOs is in non-legal means, which have a wider appeal to public opinion and can therefore have some public impact even if a legal action fails.

The NGO position, broadly speaking, is that while legal methods are both valuable and necessary, successes are still very small, and attempts by civil society to push MNCs towards more acceptable practice, such as work on codes of conduct, should be seen not as an alternative but as a support or complement to legal actions. Some participants also felt that codes of conduct were valuable in establishing general, agreed principles which could then be developed on the evidence of